

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REPORT, 2011

DOCKET NO. ACR2011

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 19-22 OF CHAIRMAN'S INFORMATION REQUEST NO. 2
(February 8, 2012)

The United States Postal Service hereby provides its responses to the above-listed questions from Chairman's Information Request No. 2, issued on January 31, 2012. Responses were due yesterday. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

Caroline R. Brownlie

Nabeel R. Cheema

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-7178; Fax -5402
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RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2

Question 19

Please refer to the FY 2011 Annual Performance Report and FY 2012 Annual Performance Plan, located in USPS-FY11-17 – 2011 Comprehensive Statement of Postal Operations. In its FY 2012 Performance Plan, the Postal Service is required to establish “performance goals” for each program activity set forth in the Postal Service’s budget. 39 U.S.C. § 2803(a)(1). “Performance goal” means “a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate[.]” *Id.* § 2801(3). “Program activity” means “a specific activity related to the mission of the Postal Service.” *Id.* § 2801(5).

- a. Please specify what the performance goals are in the FY 2012 Performance Plan.
- b. In accordance with the FY 2010 ACD, please identify performance goals and performance indicators for each program activity in the Postal Service’s operating budget. The Postal Service’s operating budget is in the FY 2012 Integrated Financial Plan. See FY 2010 ACD at 50.

RESPONSE:

- a. The USPS FY 2012 performance goals are listed on Page 33 of the 2011 Annual Performance Report and 2012 Annual Performance Plan. The goals include: Improve Service, Improve Financial Performance, and Improve Employee Safety and Engagement.
- b. Page 33 of the 2011 Annual Performance Report and 2012 Annual Performance Plan contains the USPS FY 2012 performance indicators and targets for overall financial performance, single-piece First-Class Mail service, employee safety, employee engagement, and deliveries per work hour. The Postal Service has used single-piece First-Class Mail service performance as a model for service performance reporting and management. This category of mail is most familiar to our stakeholders. We also measure and report service

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2

performance and targets for overall Customer Experience and other categories of mail (Presort First-Class, Standard, Periodicals, Package Services, and Special Services). These performance indicators, annual targets and measurement methods and quarterly service performance results are reported on the USPS website at <http://about.usps.com/what-we-are-doing/service-performance/welcome.htm>.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2

Question 20

In response to the Commission's instruction in the FY 2010 ACD, please provide further detail about the "operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals[.]" FY 2010 ACD at 51; see 39 U.S.C. § 2803(a)(3).

RESPONSE:

The Postal Service provided brief descriptions of the status of the identified performance goals on Pages 33-35 of the 2011 Annual Performance Report and 2012 Annual Performance Plan. Further information is available on Pages 8-15 of the Postal Service's 2011 Annual Report to Congress. This portion of the report, not filed as part of USPS-FY11-17 – 2011 Comprehensive Statement of Postal Operations, is available at: <http://about.usps.com/publications/annual-report-comprehensive-statement-2011/annual-report-comprehensive-statement-2011.pdf>.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2

Question 21

For each performance indicator in the FY 2011 Performance Report, please include targets (plan) and results (actual) for FY 2008. See 39 U.S.C. § 2804(c).

RESPONSE:

Goal	Performance Indicator	2008 Plan	2008 ¹ Actual
Improve Service ²	FCM Overnight	96.0%	96.5%
	FCM 2-day	92.8%	94.1%
	FCM 3-day	90.5%	91.7%
Improve Financial Performance	Operating Income (\$ billions)	NA	NA
	Deliveries per Work Hour	NA	NA
Improve Safety and Employee Engagement	OSHA Injury and Illness Rate	5.5	5.47
	VOE Survey	63.6	63.7

¹ Through 2008, only 463 ZIP Code areas selected for geographic and volume density were tested. In 2009, testing was expanded to 892 3-digit ZIP Codes which represent virtually all single-piece First-Class Mail letter and flat volume.

² Note: First-Class Mail (FCM) Performance Indicator scores reported for 2010 forward are based on National Performance Assessment (NPA) calculations.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2

Question 22

Please identify where the FY 2011 Performance Report provides “the summary findings of those program evaluations completed” during FY 2011. See 39 U.S.C. § 2804(d)(4). “Program evaluation” means “an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.” *Id.* § 2801(6).

RESPONSE:

On page 31 of the 2011 Annual Performance Report and 2012 Annual Performance Plan, the Postal Service referenced the GAO, OIG, and the PRC program evaluations and provided links to the relevant sites. Please note that the correct link to the OIG’s website is: www.uspsoig.gov.